



First-quarter for FYE March 31, 2019
Presentation Material

August 2, 2018
e-Seikatsu Co., Ltd.
Securities code: 3796

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1. Summary of First-quarter Results for FYE March 31, 2019

We continued investment (in human resources) for growth related to new business, and the investment was reflected in results.

- Consolidated sales: 461 million yen (FY2018 1Q 495 million yen, YOY change -33 million yen, -6.8%)
 - Cloud Service revenue: 446 million yen (FY2018 1Q 463 million yen, YOY change -17 million yen, -3.7%)
 - **Including monthly recurring revenue of Turnkey services: 424 million yen (FY2018 1Q 429 million yen, YOY change -5 million yen, -1.2%)**
- Consolidated operating income: -21 million yen (FY2018 1Q 31 million yen, YOY change -53 million yen)
- As of the end of Jun. 2018, the number of client companies is 1,290 (FY2018 1Q 1,261), and the number of stores is 3,460 (FY2018 1Q 3,376)
 - Monthly ARPU: approx. 112,800 yen/company ※as of the end of Jun. 2018
FY2018 1Q approx. 119,200 yen/company ※as of the end of Jun. 2017

We promoted the utilization of IT in real-estate transactions, such as the explanation of important matters by IT, and released new services.

- Released “pocketpost,” a communication platform for connecting real estate management companies and occupants, as a new service on Apr. 1, 2018, to enrich the lineup of services for real estate management companies.
- Released “ES × MeetingPlaza,” an online conference tool exclusively optimized for the explanation of important matters by IT on Jun. 1, 2018, to promote sales with “ES e-Bukken One.”

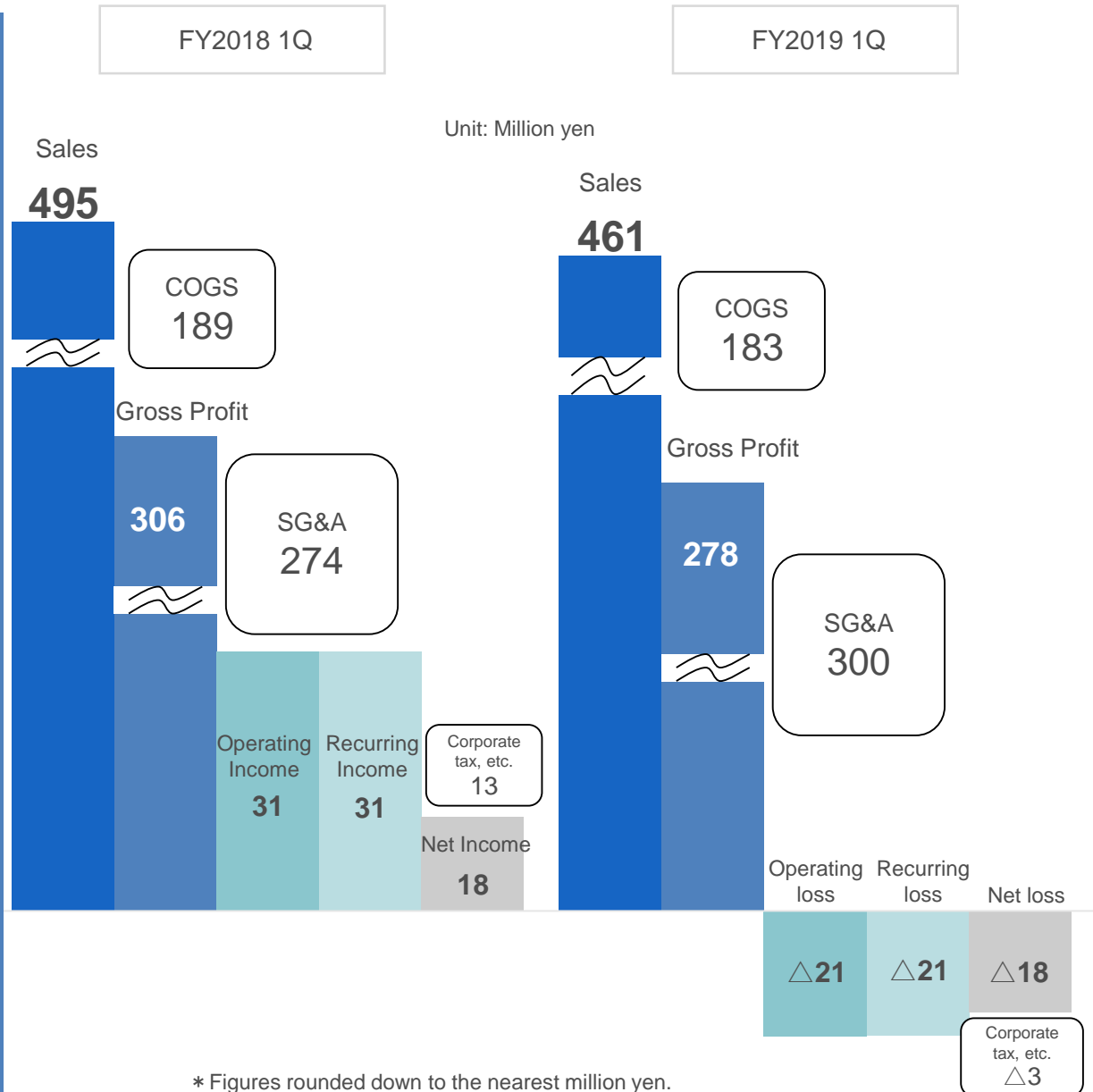
* Cloud Service revenue figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

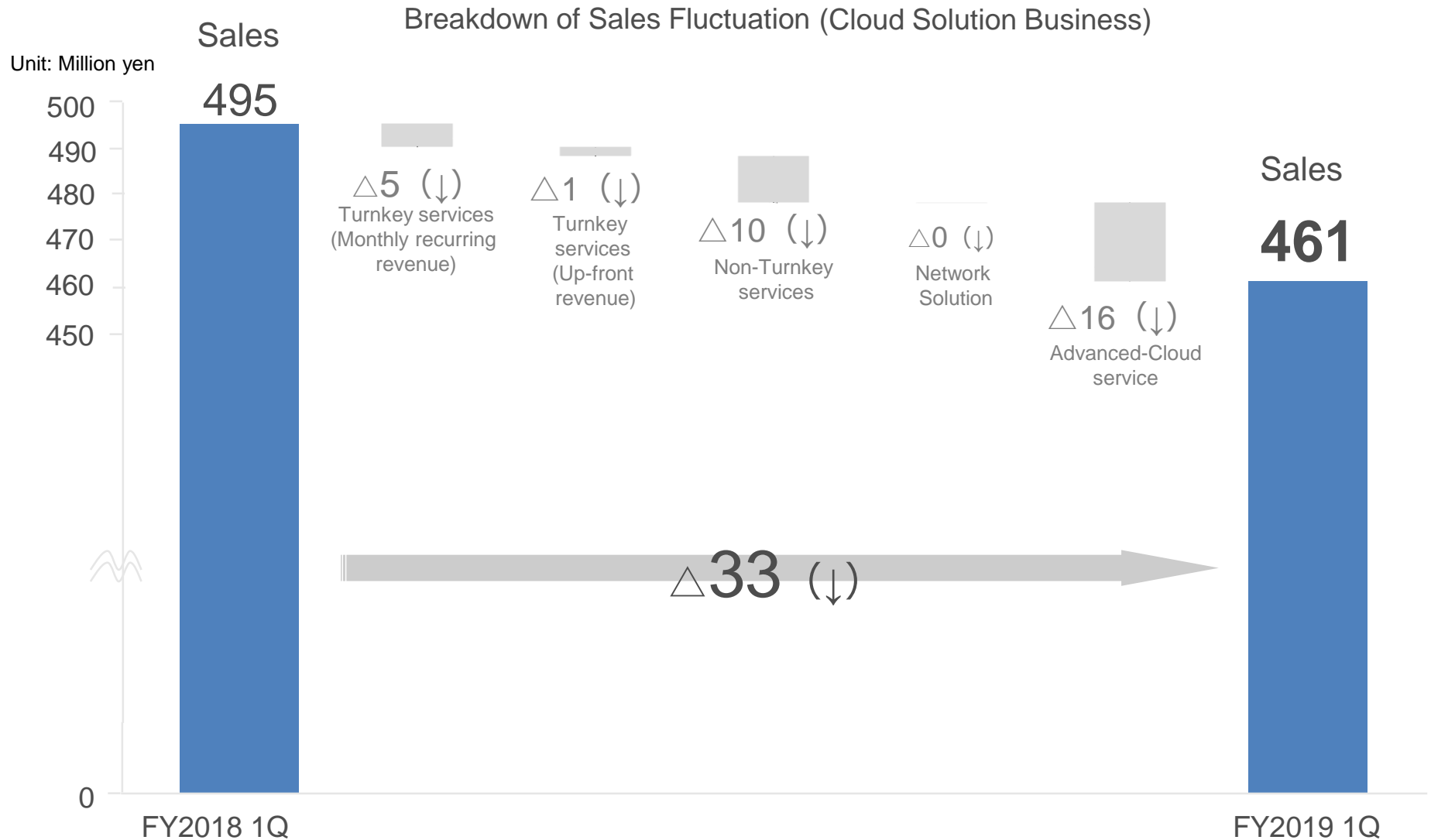
* Ratios rounded to the nearest decimal place.

Continued upfront investment for developing new services and businesses

- Sales and cost of sales regarding the entrusted development (Advanced-Cloud service) dropped year on year.
- The decrease in sales corresponds to the sales from the cloud service for specific customers (categorized into “Non-Turnkey services”), which ended at the end of May of the previous term.
- SGA augmented, as we improved staffing for planning and launching new services and expanding the customer base for “ES e-Bukken One Rental Management.”



Sales of “Advanced” and “Non-Turnkey services” dropped year on year.



* Cloud Solution Business sales figures have not been adjusted for internal transactions.

* '-' indicates zero yen, '0' indicates an amount less than one million yen.

* Figures rounded down to the nearest million yen.

Cloud solution business revenues by product

| Item (Million yen) | FY2018 1Q | FY2019 1Q | YOY change | YOY change (%) |
|---------------------------|-----------|-----------|------------|----------------|
| Cloud Service | 463 | 446 | △17 | △3.7% |
| Turnkey services * | 441 | 434 | △7 | △1.6% |
| Up-front revenue | 11 | 10 | △1 | △15.1% |
| Monthly recurring revenue | 429 | 424 | △5 | △1.2% |
| Non-turnkey services * | 22 | 12 | △10 | △44.5% |
| Network Solution | 8 | 8 | △0 | △0.5% |
| Advanced-Cloud Service | 23 | 6 | △16 | △71.0% |
| Total | 495 | 461 | △33 | △6.8% |

* Turnkey services Suite of standard system applications with up-front and monthly recurring revenue.
 Non-turnkey services Customized system applications with one-time and monthly recurring revenue.

* Cloud Solution Business sales figures have not been adjusted for internal transactions.

* '-' indicates zero yen, '0' indicates an amount less than one million yen.

* Figures rounded down to the nearest million yen.

Occupants

- Questions about contracts
- Noise troubles
- Request for repair, etc...

It is cumbersome to communicate by phone, mail, bulletin board, ...

Real estate management companies

- Notice on contract renewal
- Notice on equipment inspection
- Posting on notice boards, etc...

- The smartphone app “pocketpost” for connecting real estate management companies and occupants
- New communication tool that would replace conventional ones, such as telephone, mails, and bulletin boards
- Linked also with “ES e-Bukken One.” The complete version released in Apr. 2018.

Enrichment of the lineup of services for real estate management companies

- This can be utilized in various scenes, including the explanation of important matters by IT, online customer services, and preview of real estate.
- Reasonable price so that it can be adopted by small-sized real estate companies

Online conference cloud optimized for online customer services and explanation of important matters by IT in the realty field



Released on
Jun. 1, 2018

Users can use the system as they want by paying 10,000 yen per month!
5 accounts that can be used concurrently



Simple UI/UX optimized for explaining important matters by IT



Automatic recording function suited for recording the explanation of important matters by IT



Flat-rate plan so that users can use the system as they want without checking the time



To save the travel time in between stores and cost of real estate brokers



つなぐ、不動産クラウド。
ES **いい物件One**

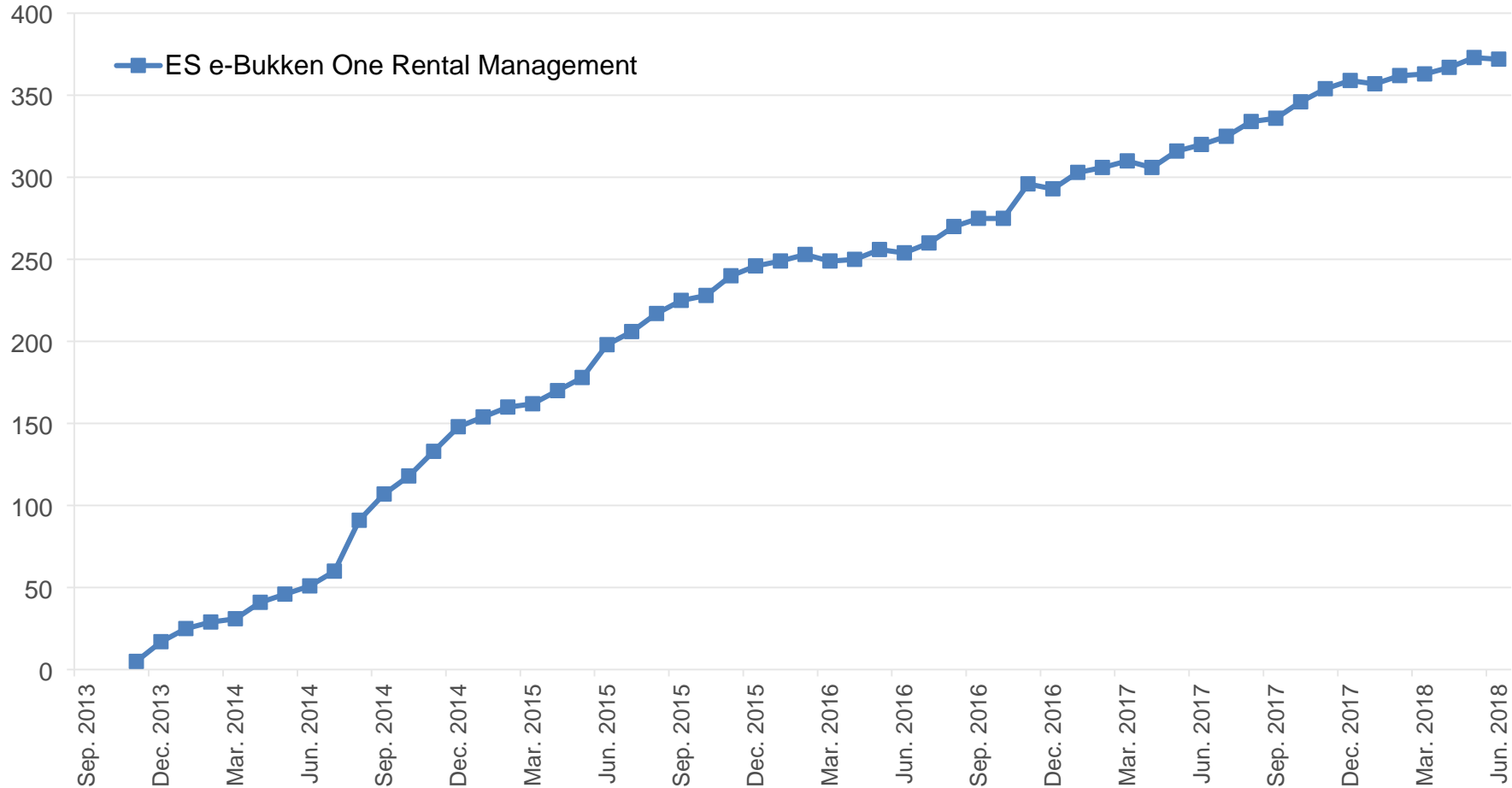
 **pocket post**

IT重説・WEB接客専用パッケージ
ES × **meetingplaza**

Enhancement of sales promotion

The customer base of “ES e-Bukken One Rental Management,” which is strategically important, is expanding

(Unit: Number of services with payment started)



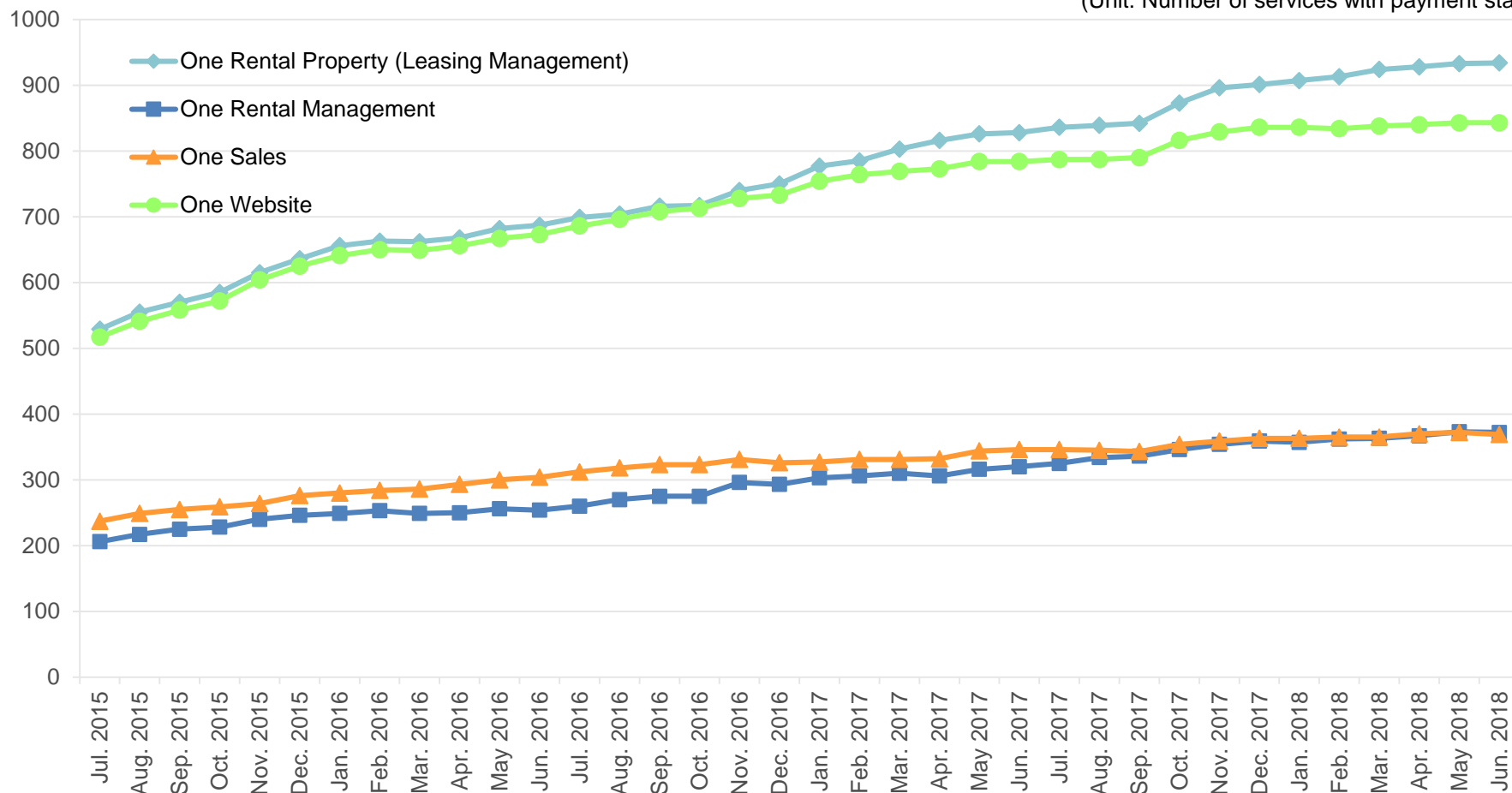
* The number means the sum of the number of new contracts and the number of shifts from existing services.

* The total number of “One Rental (management option),” “One Rental (full-time management),” and “One Rental (rent management)” is expressed by “One Management.”

The number of licenses provided is increasing steadily

Transition of Number of Licenses by Service

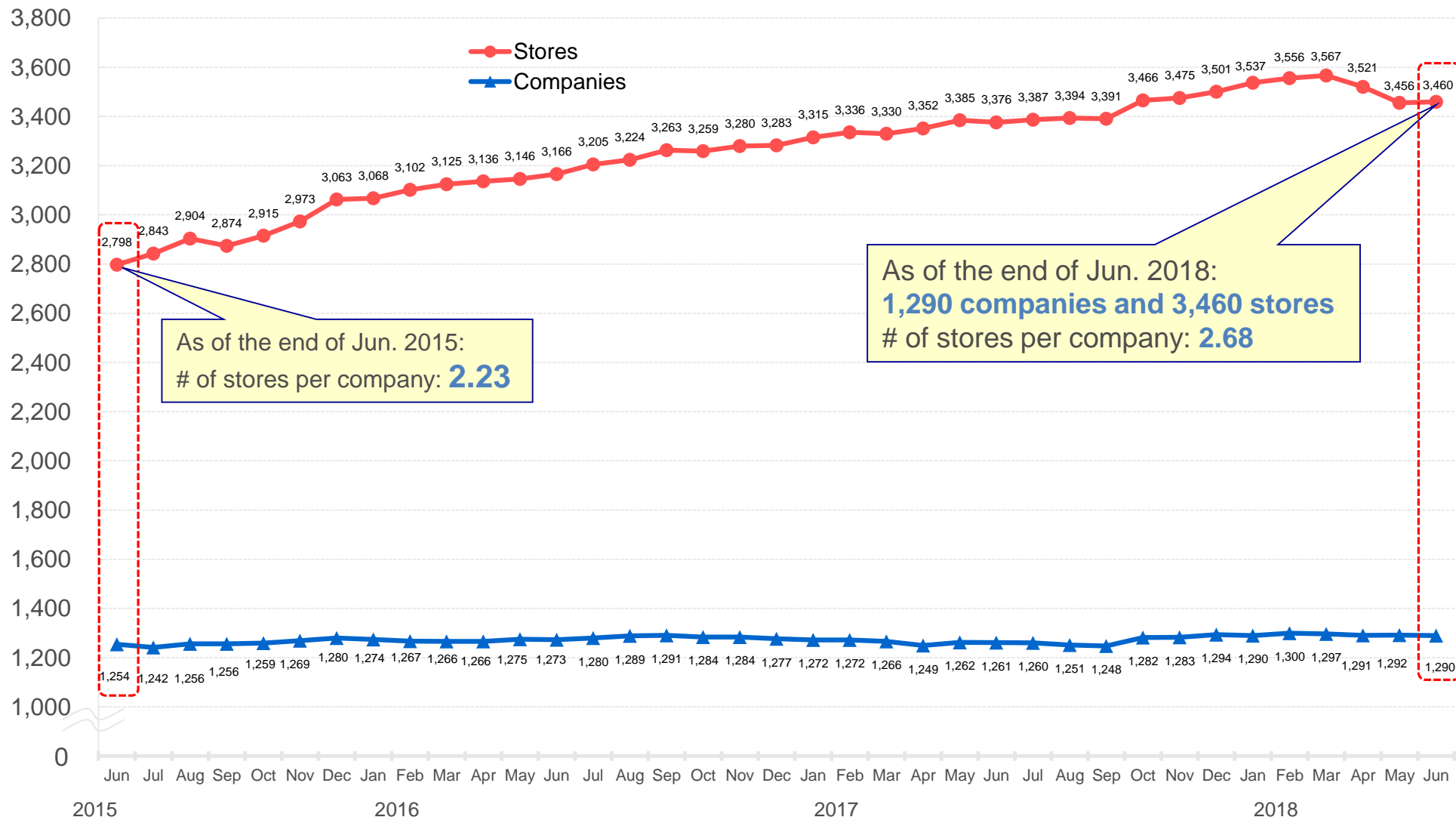
(Unit: Number of services with payment started)



* The number means the sum of the number of new contracts and the number of shifts from existing services.

Ratio of the number of stores per corporation is increasing.

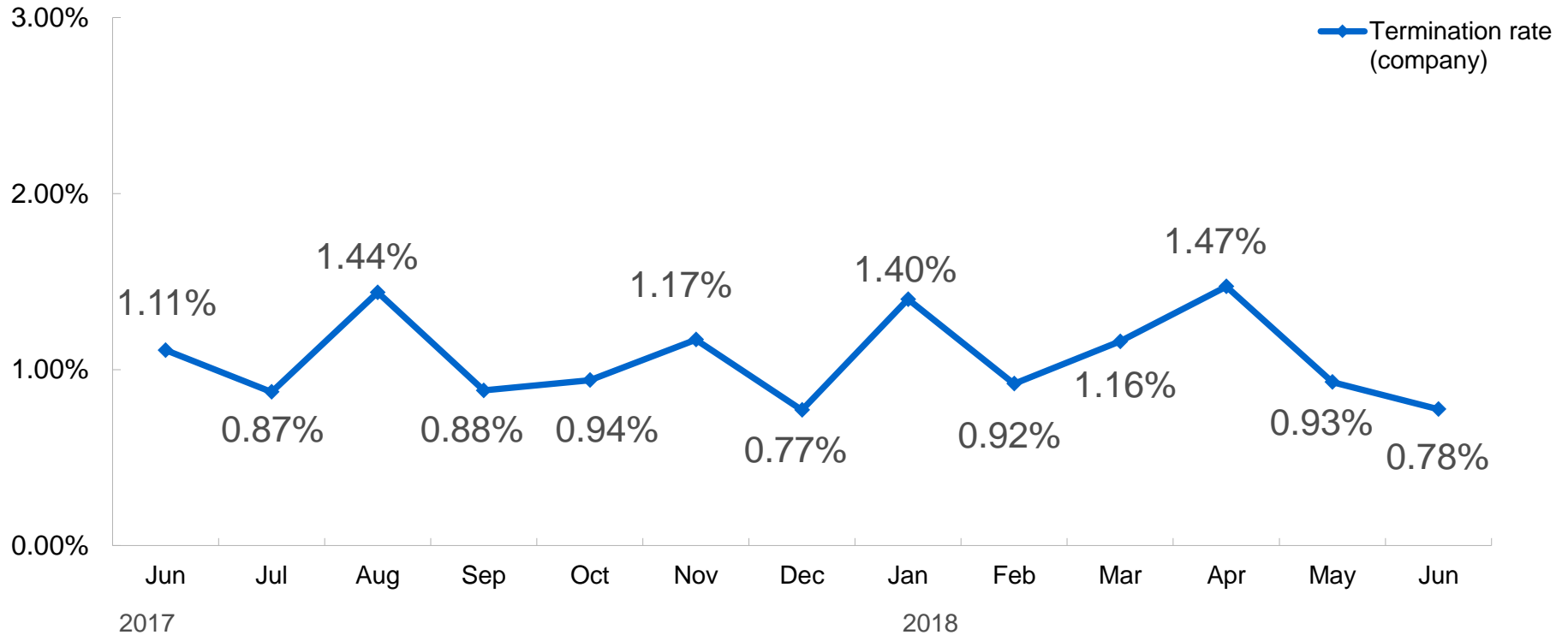
Transition of Number of Companies and Stores Using Our Services



* As for ES e-Bukken One, contracts are concluded and fees are charged for individual corporations. As for the number of stores, the total number of stores used and registered by clients (real estate companies) was counted.

The quality of support systems and services was enhanced, for raising customer retention rate

Transition of Termination Rate



Unit: companies

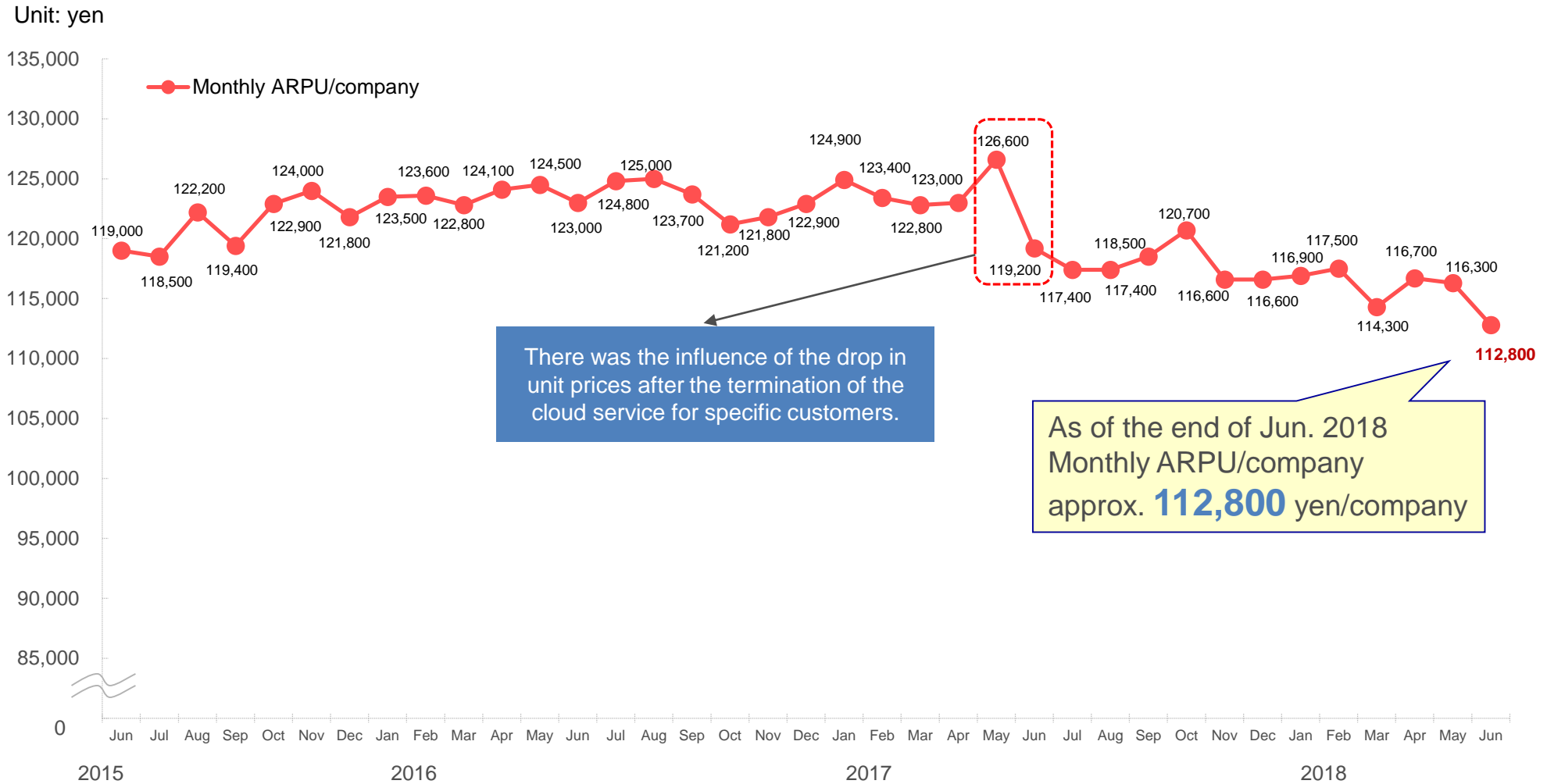
| | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Ave. |
|----------------|------|------|------|------|------|------|------|------|------|------|------|-----|------|------|
| # of companies | 14 | 11 | 18 | 11 | 12 | 15 | 10 | 18 | 12 | 15 | 19 | 12 | 10 | 13.6 |

* Termination rate is obtained by dividing the number of companies that have cancelled our service in each month by the number of companies whom we have charged.

* "# of companies" means the number of companies that have cancelled our service and are no longer charged in the month concerned.

Monthly ARPU maintained over 100 thousand yen

Transition of Monthly ARPU



* Monthly ARPU =
$$\frac{\text{Cloud Service revenue in a given month}}{\text{The number of companies 'Billed Clients' in a given month}}$$

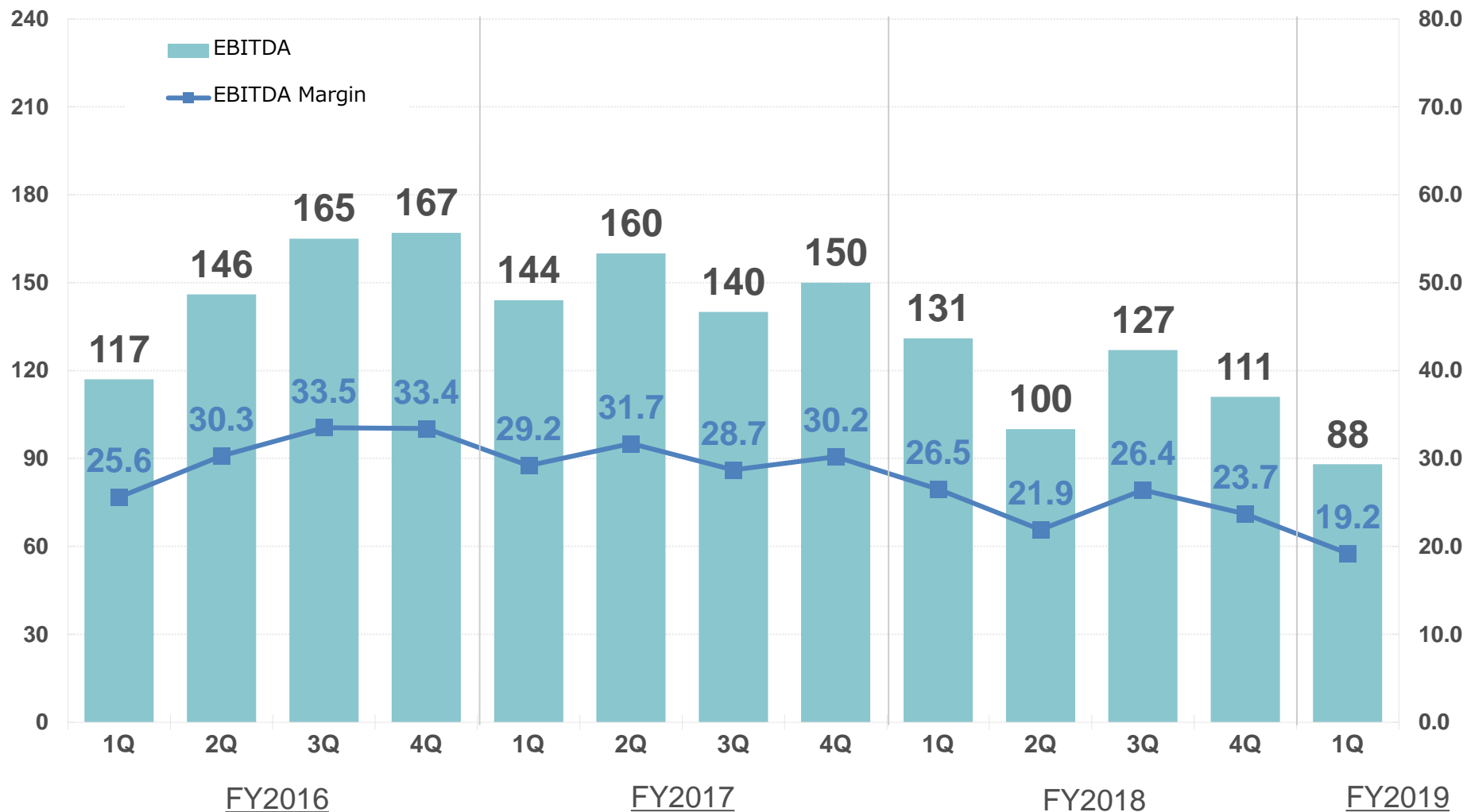
* Figures rounded down to the nearest hundred yen.

EBITDA (operating Income + depreciation) remains stable

Transition of EBITDA (Consolidated)

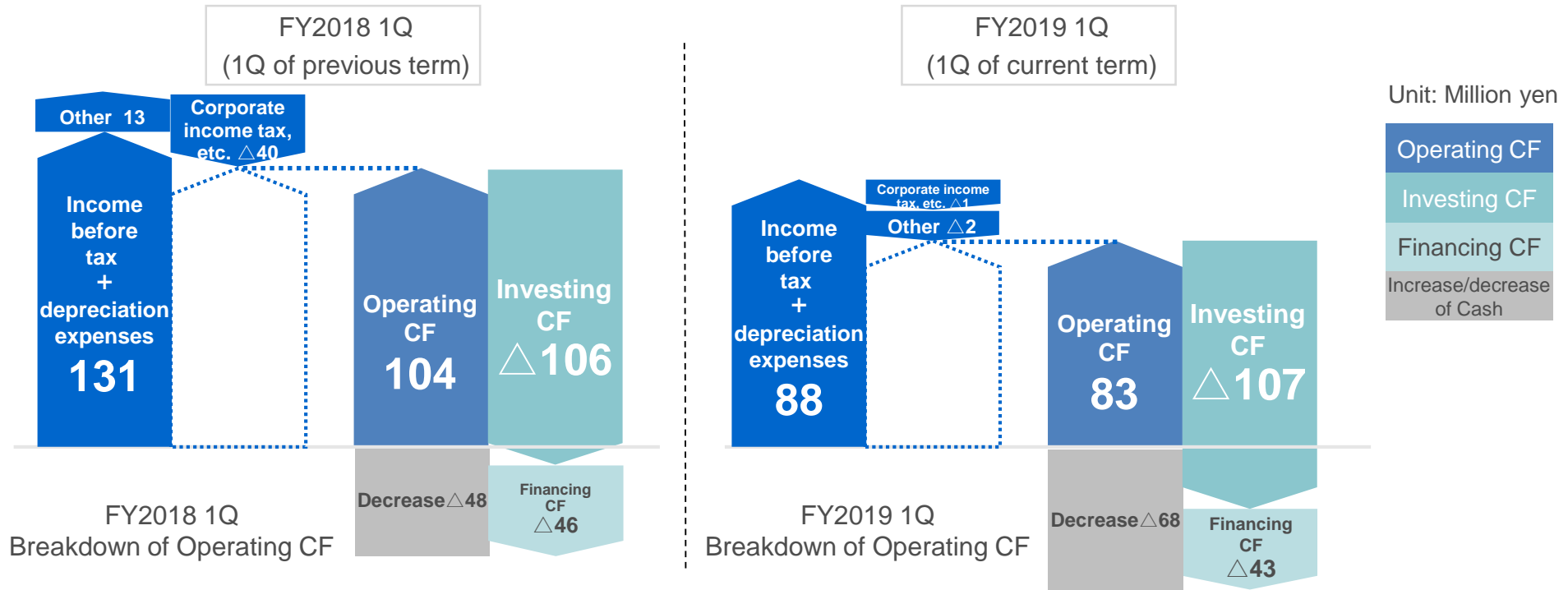
Unit: Million yen

Unit: %



* Figures rounded down to the nearest million yen.

Cash Flow Statement (Consolidated)



<Major breakdown items>

| | FY2018 1Q | FY2019 1Q |
|--|-----------|-----------|
| Operating Activities | | |
| ① Income before tax + depreciation expenses | 131M yen | 88M yen |
| ② Payment of corporate income tax, etc. (△) | △40M yen | △1M yen |
| Investing Activities | | |
| ③ Expenses in development such as services (△) | △100M yen | △103M yen |
| ④ Expenses due to the purchase of assets (HW/SW) (△) | △5M yen | △4M yen |
| Financing Activities | | |
| ⑤ Payment of year-end dividend (△) | △31M yen | △31M yen |
| ⑥ Expenses due to repayment of lease obligations (△) | △14M yen | △12M yen |

* Figures rounded down to the nearest million yen.

* '0' indicates an amount less than one million yen.

2. Earnings Forecast and Goals

Sales growth expected; upfront investment for growth

| (Million yen) | 1Q Results FY2019 | Full-term Forecast FY2019 | Progress Rate as % of Full-term Forecast | Full-term Results FY2018 | Difference | YOY change (%) |
|------------------|-------------------|---------------------------|--|--------------------------|------------|----------------|
| Sales | 461 | 2,002 | 23.1% | 1,909 | 92 | 4.9% |
| Operating income | △21 | 31 | — | 49 | △18 | △37.5% |
| Recurring income | △21 | 30 | — | 49 | △19 | △38.8% |
| Net Income | △18 | 11 | — | 21 | △9 | △45.2% |

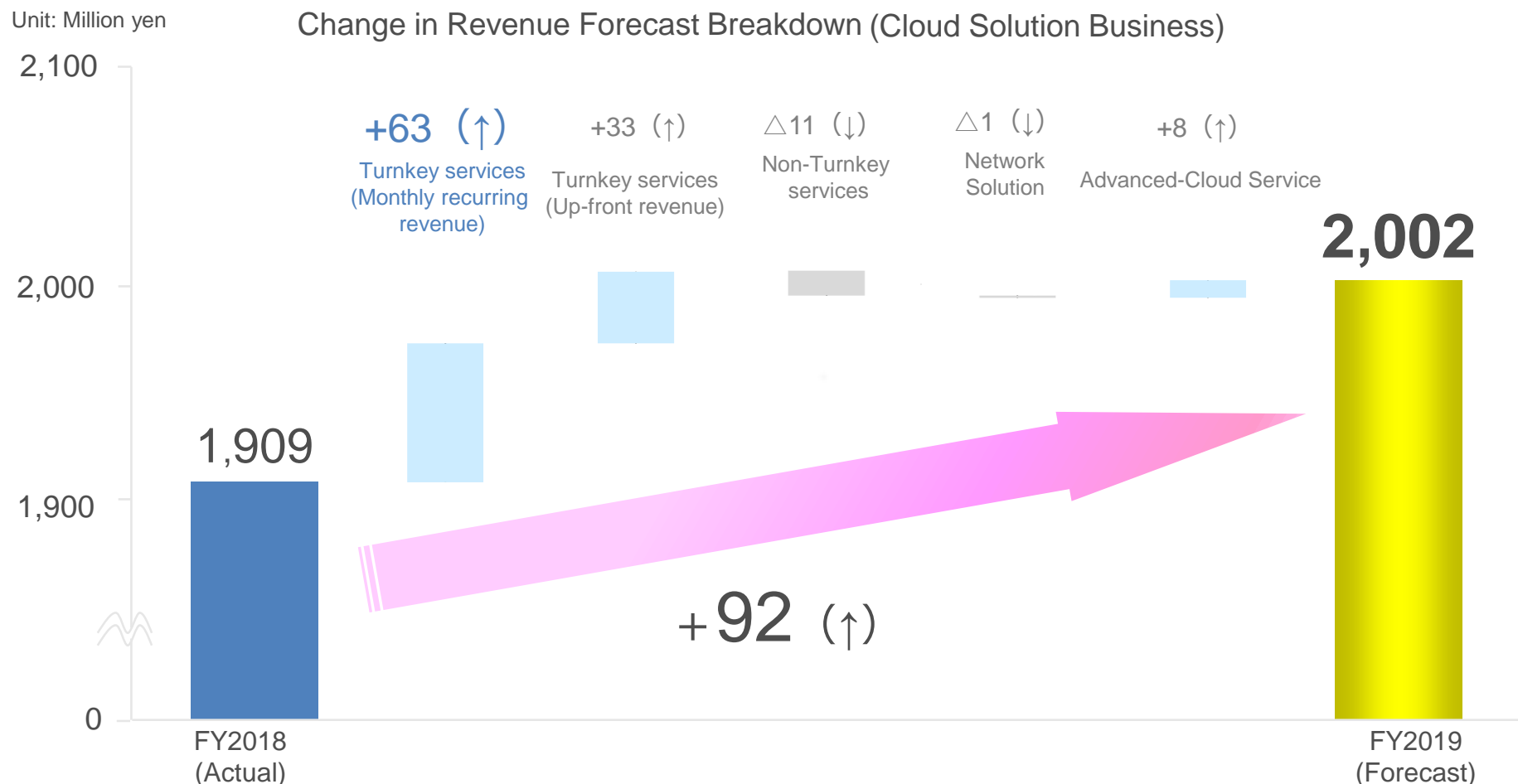
| | Dividend per share |
|--|--------------------|
| Full-term dividend (forecast) (FYE March 2019) | 5.00yen |
| Full-term dividend (result) (FYE March 2018) | 5.00yen |

* Forecast figures are based on information available at the time of this announcement.

Actual results may differ materially from the forecast figures.

* Figures rounded down to the nearest million yen.

Revenue forecast: Sales estimated to rise through the continuous growth of cloud services



<Key Points>

We will promote “ES e-Bukken One,” a convenient cloud service for explanation of important matters by IT. The sales of Turnkey services (Monthly recurring revenue) are estimated to grow about 63 million yen from the term ended Mar. 2018, and the total sales of the cloud solution business are projected to increase by about 92 million yen.

* Cloud Solution Business sales figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

Cloud solution business revenue forecast breakdown

| Item (Unit: million yen) | FY2018 | FY2019 | YOY change | YOY change (%) |
|---------------------------|--------------|--------------|------------|----------------|
| Cloud Service | 1,814 | 1,899 | 85 | 4.7% |
| Turnkey services * | 1,755 | 1,852 | 96 | 5.5% |
| Up-front revenue | 46 | 79 | 33 | 71.6% |
| Monthly recurring revenue | 1,709 | 1,772 | 63 | 3.7% |
| Non-turnkey services * | 58 | 47 | △11 | △19.8% |
| Network Solution | 33 | 32 | △1 | △3.3% |
| Advanced-Cloud Service | 61 | 70 | 8 | 13.8% |
| Total | 1,909 | 2,002 | 92 | 4.9% |

* Turnkey services Suite of standard system applications with up-front and monthly recurring revenue.
 Non-turnkey services ... Customized system applications with one-time and monthly recurring revenue.

* The above forecast figures are based on information available at the time of this announcement. Actual results may differ materially from the forecast figures.

* Cloud Solution Business sales figures have not been adjusted for internal transactions.

* Figures rounded down to the nearest million yen.

Target Index

➤ Number of clients

5,000 companies

➤ Monthly ARPU

more than **¥100,000**

➤ Gross profit margin on Cloud Service

more than **70%**

Expand and grow our client base

To keep increasing clients by evolving services and enriching the systems for the support for installation and clients

Improve sales and operation efficiency

To increase the average spending per client by improving additional values and lengthen the period of use by upgrading services

Future growth

To evolve ES e-Bukken One to real estate trade platforms



Real estate database

- Layout info
- Addresses, latitude/longitude info
- Equipment info
- Images
- ⋮



Contract database

- Lease contracts
- Management entrustment contracts
- ⋮



Database of organizations and employees

- Names or corporations and organizations
- Employees' names, numbers, and posts
- Contact info (email addresses and telephone numbers)
- ⋮



Customer database

- Customer categories (renting, lending, selling, or buying)
- Names, contact info, etc.
- Family structures
- Annual income and bank account info
- ⋮



Database of income, expenditure, and sales

- Rents and security deposits
- Deposit category
- Accounts
- ⋮

**More than 4,000 items
can be stored.**

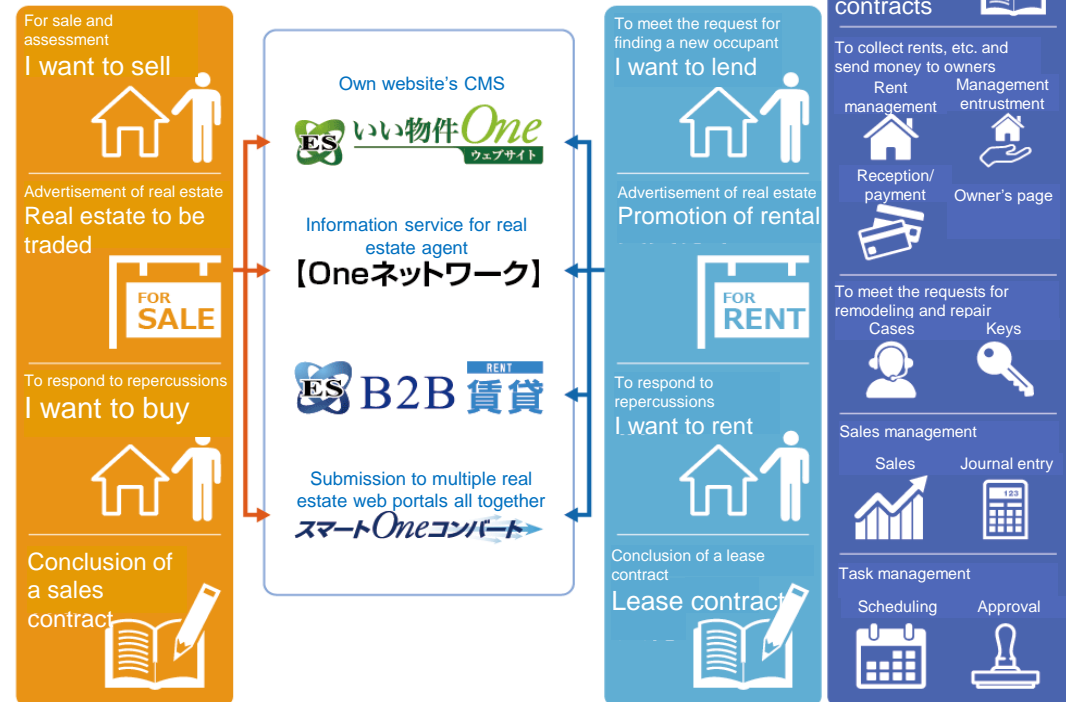


Business activities for real estate to be traded



Business activities for real estate for rental

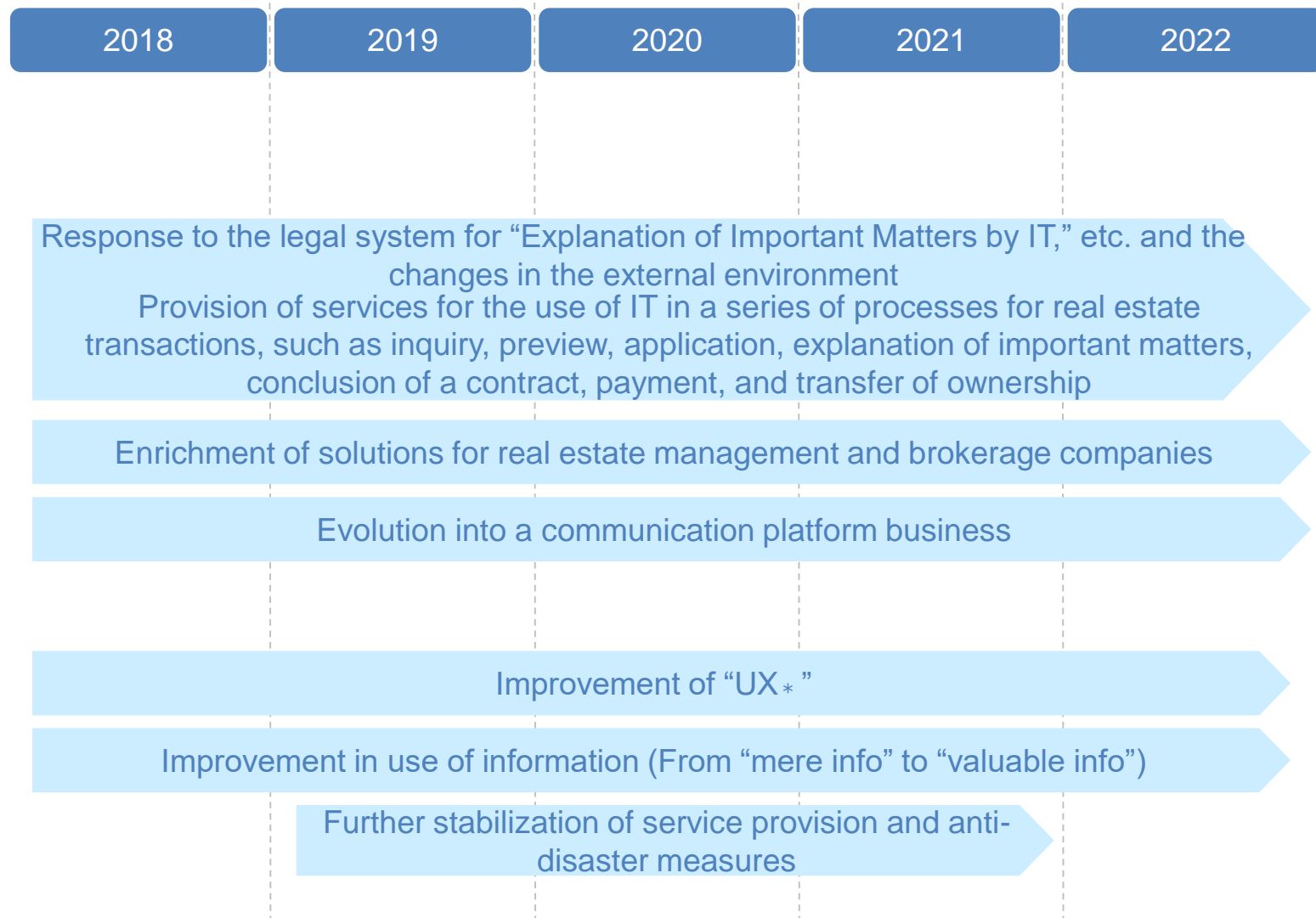
Lease management business





Expansion of Service Line-Up and Function Reinforcement

Service Quality Improvement and Capacity Increase

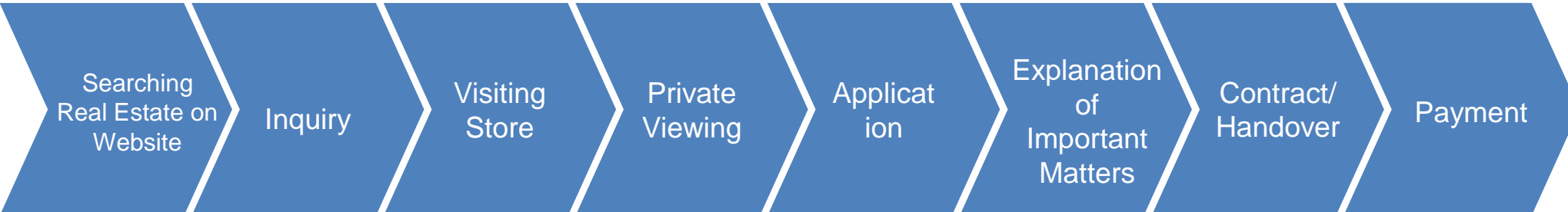
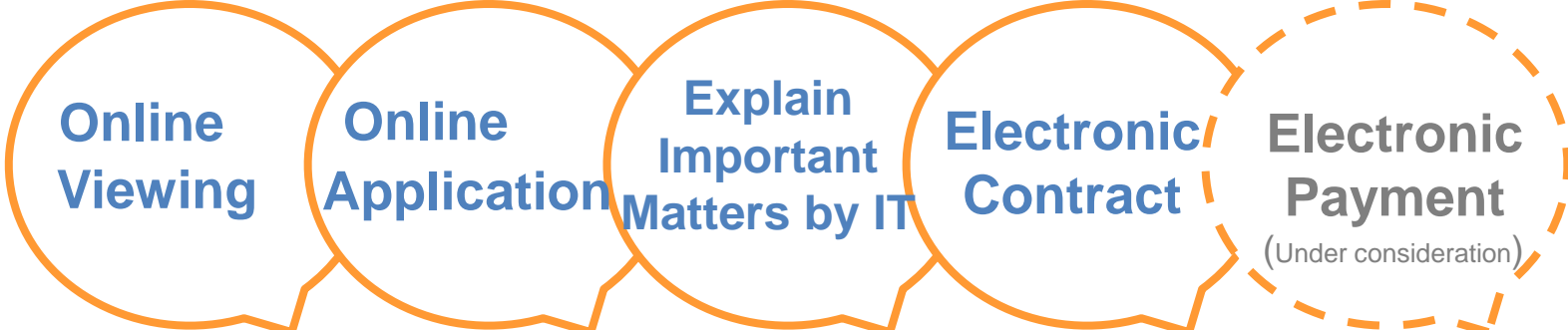


* “UX” is the abbreviation of User Experience, which means the experience users get by using our systems, services, etc.

We aim to produce services customers want to use more by improving UX.

* The above schedule is a plan at the present moment and is subject to change.

We are promoting the utilization of IT in a series of processes for real estate transactions, including search, preview, explanation of important matters, conclusion of a contract, and payment.

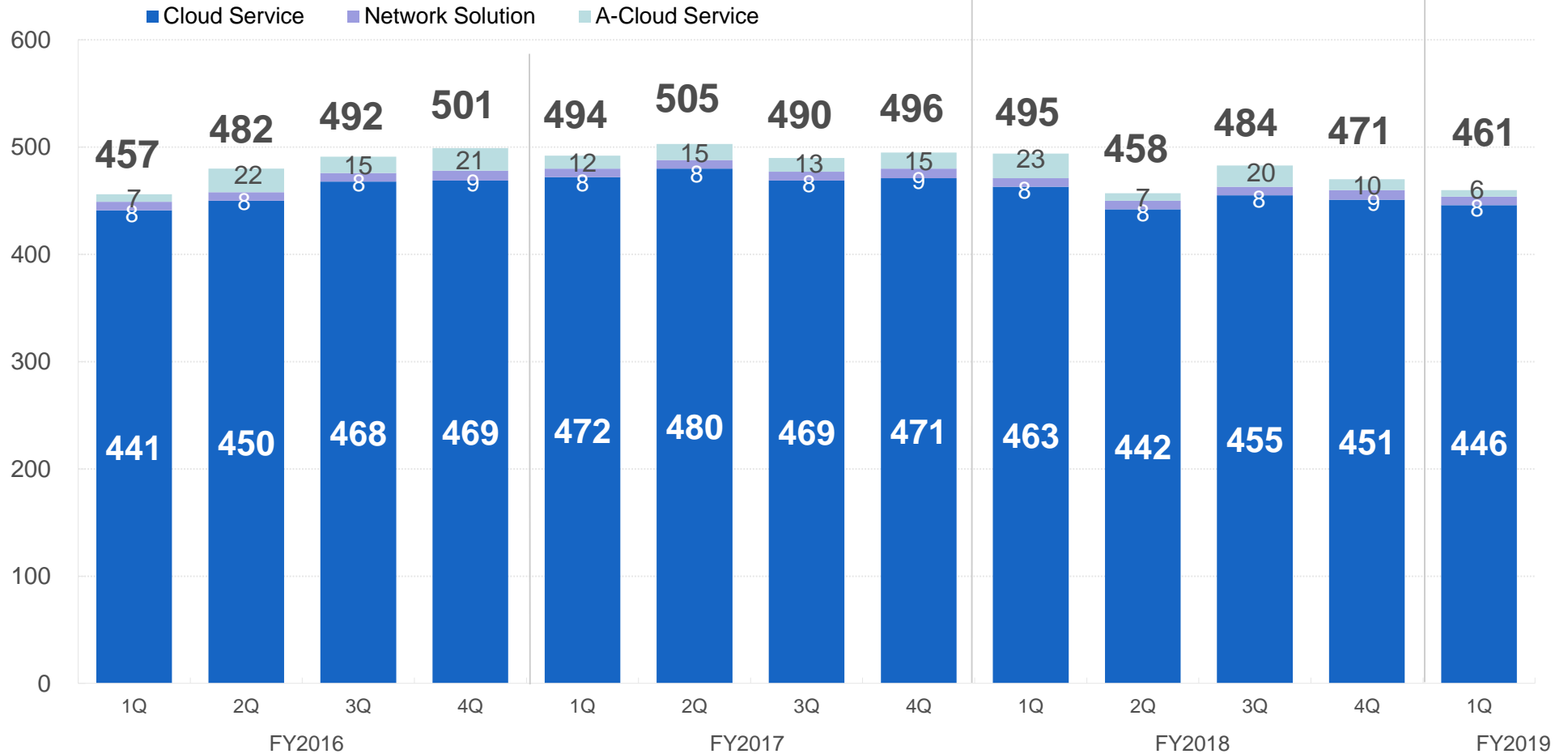


3. Summary of Recent Business Results

The sales of cloud services are stable

Unit: Million yen

Transition of Sales by Item (Cloud Solution Business)



* Cloud Solution Business sales figures have not been adjusted for internal transactions.

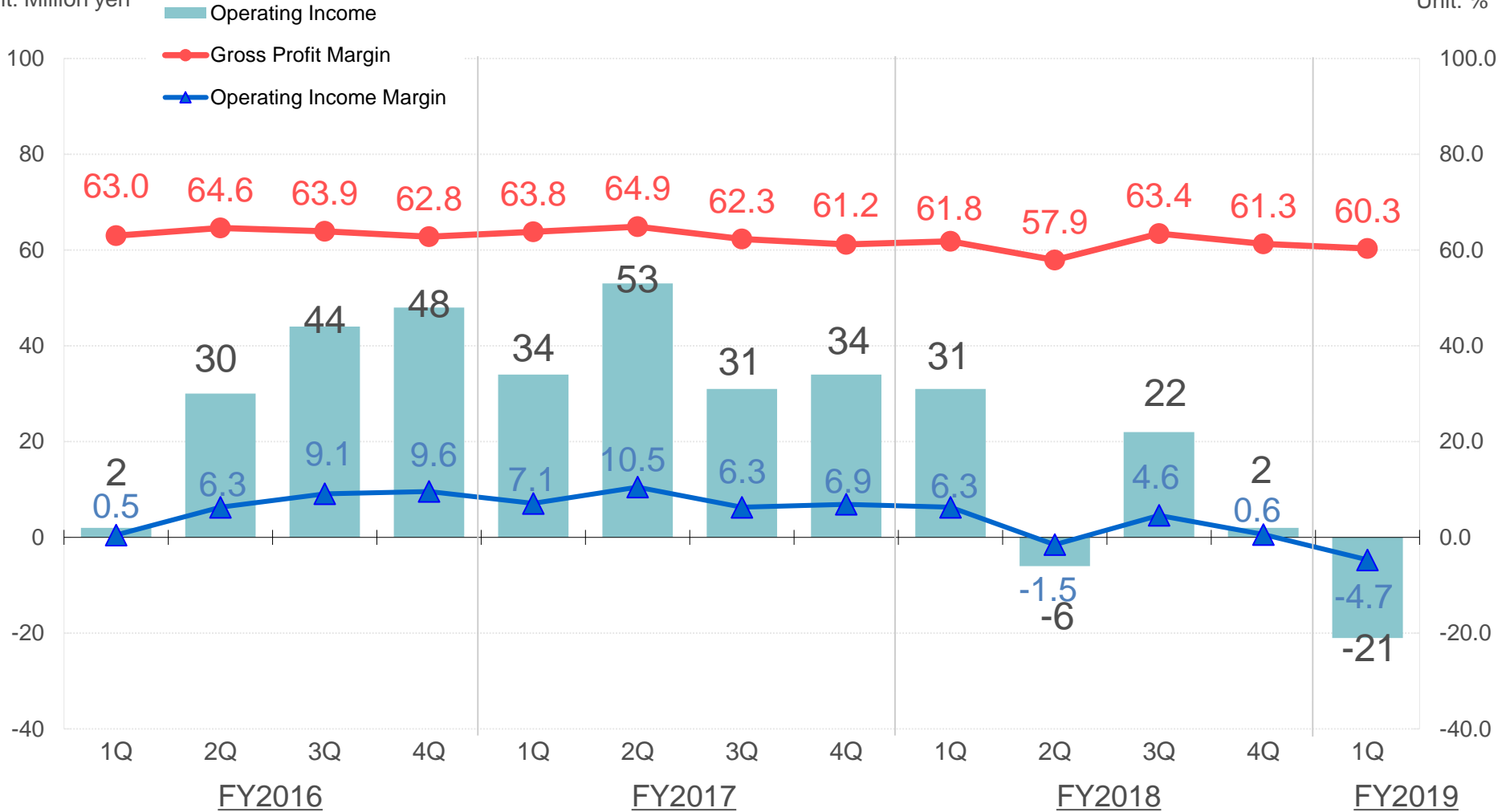
* Figures rounded down to the nearest million yen.

Investment, including the strengthening of staff for developing new business, preceded outcomes

Transition of Operating Income (Consolidated)

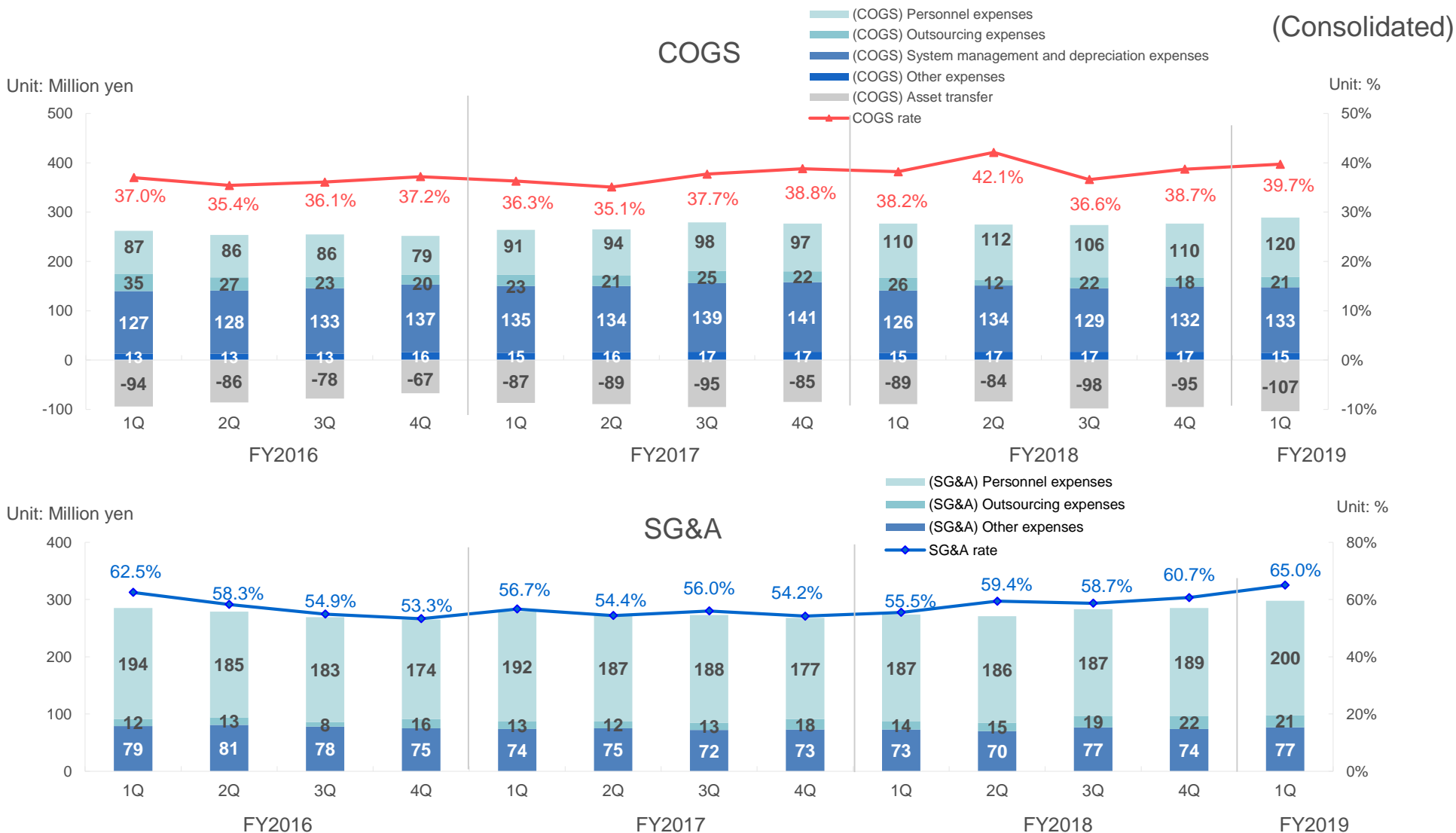
Unit: Million yen

Unit: %



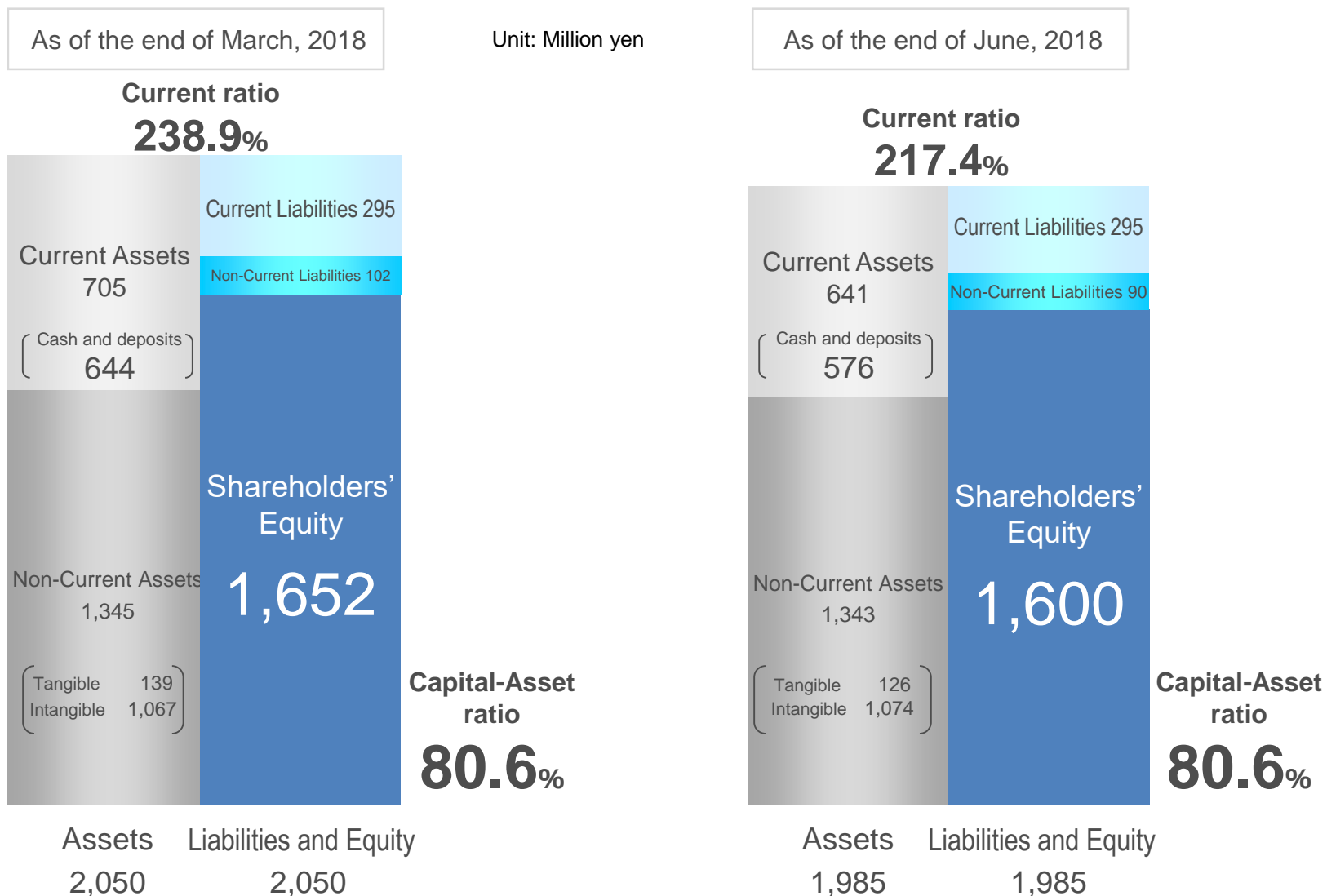
* Figures rounded down to the nearest million yen.

Total expenses are under control



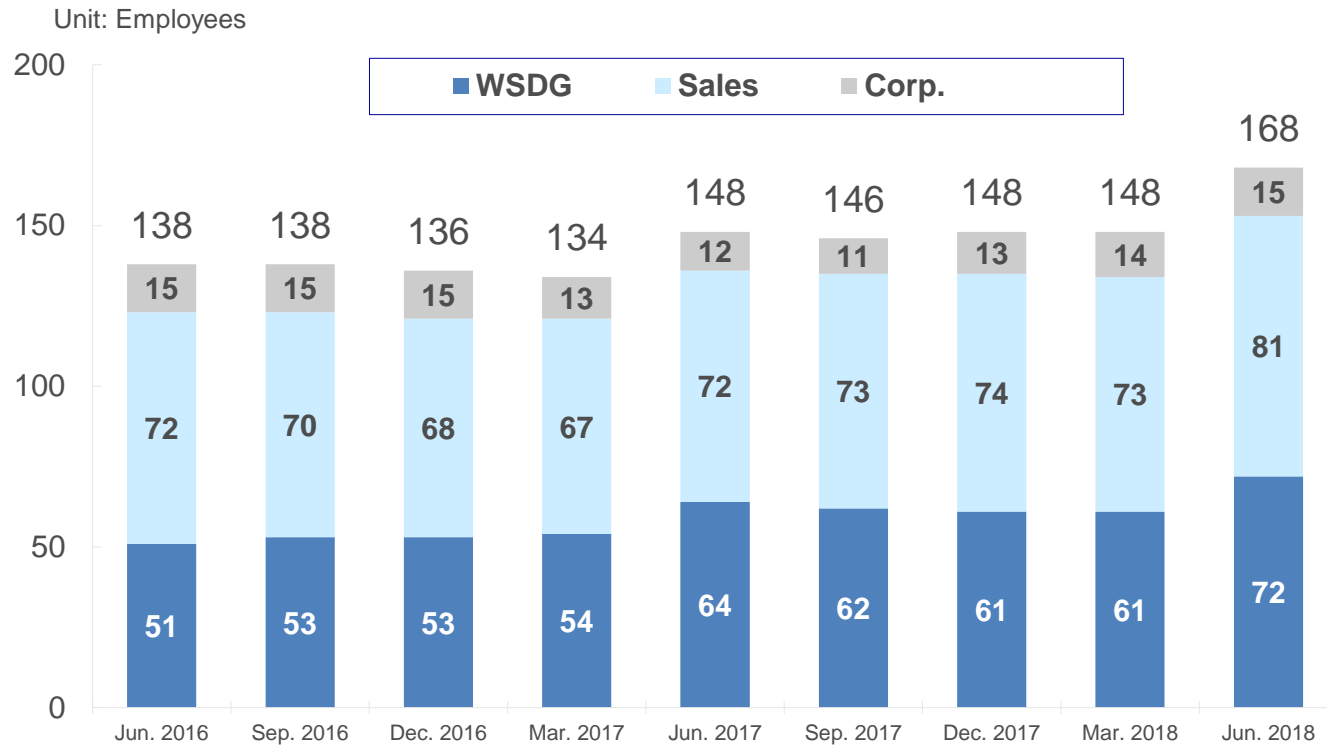
* (COGS) Outsourcing expenses: Outsourcing expenses, temporary recruitment expenses, procurement expenses, system usage expenses, etc.
 (COGS) Asset transfer: Inventory assets(goods in process), portion allowances for software under development listed under COGS
 * (SG&A) Outsourcing expenses: Advertising expenses, recruitment related expenses, consultant fees, payment commission, etc.
 * Figures rounded down to the nearest million yen.

Consolidated Balance Sheet YOY Comparison

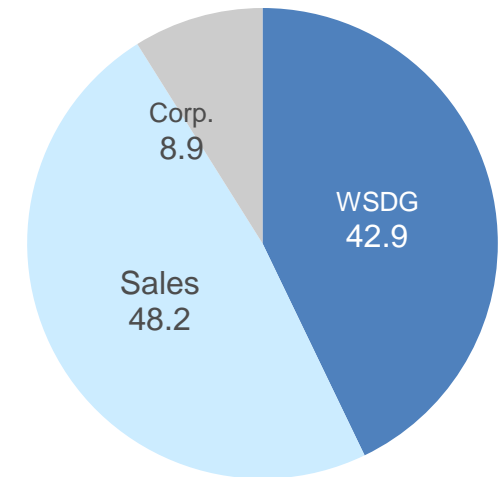


* Due to the partial revision to the accounting standards, deferred tax assets as of the end of Mar. 2018 is categorized into fixed assets (investments and other assets) rather than current assets.

* Figures rounded down to the nearest million yen.



Number of Employees



Breakdown by Division
(June, 2018)

* Excluding directors, advisors, and part-time workers.

* WSDG: Web Solution Development Group, Sales: Sales & Sales Planning Group, Corp: Corporate staff

* "Management Group" was renamed "Corporate Group" in Apr. 2017.

Mission

To create a market with high degree of satisfaction and reliability for all participants by enhancing the transparency of the market.

Vision

To become an essential integral information infrastructure for the real estate market, where a variety of information on real estate is put together.

To pursue the real estate field, and offer “indispensable” cloud systems

Our development staff who are versed in real estate businesses develop systems (accumulating know-how).

Direct sales force = tight relationship with clients, deep industry knowledge

Swift cycle of “grasping needs → planning → development → release”

Obtained the certificates of international standards for IT service management and cloud service information security management in order to improve our service level and customer satisfaction further.

No bank borrowing and financially sound

Established : January 21, 2000

Paid-in capital : 628,411,540 yen (As of the end of June 2018)

Listing : Second Section of the Tokyo Stock Exchange (Code: 3796)

Relationship banks : MUFG Bank, Ltd., Mizuho Bank, Ltd., Resona Bank, Ltd., Sumitomo Mitsui Banking Corporation, Sumitomo Mitsui Trust Bank, Limited, Mitsubishi UFJ Trust and Banking Corporation

of employees : 168 (As of the end of June 2018)

Governance System : Company with Audit Committee

| | | | | |
|-------------------|-----------------------------------|--------------------|---------------------------------------|-------------------|
| Officers : | President & CEO | Kiyotaka Nakamura | Outside Director, Auditor (Full-Time) | Akira Hirano |
| | Executive Vice President & Co-CEO | Zenichi Maeno | Outside Director, Auditor | Masahito Omachi |
| | Executive Vice President & CFO | Hiroyuki Shiokawa | Outside Director, Auditor | Shinichi Shamoto |
| | Executive Vice President & COO | Hiroyoshi Kitazawa | Outside Director, Auditor | Masayasu Takahara |
| | Managing Director, CTO | Akira Matsuzaki | | |

Audit Corporation : Kisaragi Audit Corporation

| | | | |
|------------------|----------------|-----------|---|
| Offices : | Headquarters | 〒106-0047 | 2-32, Minamiazabu 5-chome, Minato-ku, Tokyo |
| | Osaka office | 〒530-0011 | 4-20 Ofukacho, Kita-ku, Osaka |
| | Fukuoka office | 〒810-0001 | 11-17, Tenjin 1-chome, Chuo-ku, Fukuoka-shi, Fukuoka |
| | Nagoya office | 〒450-6490 | 28-12, Meieki 3-chome, Nakamura-ku, Nagoya-shi, Aichi |



Technology × Real Estate Field

e-Seikatsu is a “Real estate tech” company that aims to realize a better real estate market by technology.

Statements made at the meeting or included in this document that are not historical facts are forward looking statements about the future performance of e-Seikatsu Co., Ltd. You are cautioned that a number of factors could cause actual results to differ materially from those discussed in the forward looking statements.